

MONTANA WHEAT AND BARLEY COMMITTEE

Annual Budget Meeting

Holiday Inn

Trailsend Room

Great Falls, Montana

April 3-4, 2013

The following were present for either a portion of or the entire meeting.

DIRECTORS

Bruce Myllymaki, Director
Randy Hinebauch, Director
Leonard Schock, Director
Tom Siderius, Director

Buzz Mattelin, Chairman
Chris Kolstad, Vice Chairman
Frank Schoonover, Director

EX-OFFICIOS

Dr. Jeff Jacobsen, Dean; MSU College of Agriculture and Director; Montana Ag Experiment Station

Not Present: Ron de Yong, Director, Montana Department of Agriculture

Not Present: Byron Grassman, Manager, Mountain View Coop

STAFF

Kim Falcon, Executive Vice President
Cassidy Marn, Marketing Program Manager
Steve Becker, Communication Coordinator
Kolleen Spurgin, Administrative Financial Assistant
Tammy Suek, Administrative Assistant

GUESTS

Lola Raska, Executive Vice President, Montana Grain Growers Association
Bill Herbolich, Program Specialist/Hail Program, Montana Department of Agriculture
Terry Whiteside, Freight Traffic Consultant, Whiteside and Associates
Jeff Rumney, Bureau Chief, State Grain Lab
Erik Sumerfeld, Secretary/Treasurer, Montana Farmers Union
Alan Merrill, President, Montana Farmers Union
Chris Christiaens, Project Specialist, Montana Farmers Union
Dale Schuler, President, Montana Grains Foundation
Ryan McCormick, President, Montana Grain Growers Association
Charlie Bumgarner, Treasurer, Montana Grain Growers Association

Chairman Mattelin called the meeting to order at 8:04 a.m. There were changes made to the tentative agenda: change Director de Yong's call-in to 8:30am; remove the Department of Agriculture's snail grant; add Jeff Rumney to speak on the State Grain Lab proposal.

Director Schock made the motion to adopt the tentative agenda with the changes and Director Myllymaki seconded it. The agenda passed unanimously.

Chairman Mattelin called for public comment and heard none.

Review of February 20-21, 2013 Meeting Minutes

Executive Vice President Kim Falcon presented the minutes of the February Research Review Board Meeting.

Director Schoonover moved and Director Schock seconded the motion to approve the minutes. The motion passed unanimously.

Financial Review

Administrative Financial Assistant Kolleen Spurgin presented the Financial Statement and Assessment collection update.

Director Siderius moved to accept the financial statement. Director Kolstad seconded the motion. The motion passed unanimously.

Projections for the FY 2013 Budget

Kim Falcon explained to the board the budgeting procedures this year because of the uncertainty of spending authority. Three different budgets must be prepared to account for the various spending authority scenarios. Kim worked with Legislators for additional spending authority that is needed for Research and Marketing funding.

Montana Department of Agriculture Update and Proposal Review

Director de Yong provided a legislative update, including potential spending authority. He had some concern that the legislature is looking for cuts to the budget and spending authority could be at risk. Libbi Lovshin explained to the board what would happen if the office employees became contractual.

Director de Yong talked about the proposals requested for by the department; Ag literacy, Young Ag Couple Conference, NASS and State Grain Lab. Jeff Rumney discussed the needs of the State Grain Lab. They would like a newer truck and a new falling numbers machine.

Chairman Mattelin discussed the need to educate legislators about the work of the committee as well as secure statutory authority. The June agenda should include a discussion about a strategy for statutory authority.

Transportation Update

Terry Whiteside presented to the board an update on transportation issues including the nomination of Wayne Hurst to the Railroad Shippers Transportation Advisory Council.

Montana Farmers Union Proposal Review

Chris Christiaens discussed the grant request, but realizing that the event planned would not happen until next budget cycle, withdrew the proposal.

U.S. Wheat Associates (USWA) Proposal Review

Directors Schock and Schoonover discussed the needs of USWA and Kim Falcon talked about the USWA trade teams that are committed to visiting Montana. It was requested that a copy of the USWA newsletter, The Grist be sent to all directors each month.

U.S. Grains Council (USGC) Proposal Review

Chairman Mattelin and Director Myllymaki explained the proposal from USGC and talked about the officer travel for Don Fast. USGC is a good investment since we are now the number one state with the most barley acres.

Wheat Foods Council Proposal Review

Director Schock explained that the increase in dues for Wheat Foods Council is because of a move to a production based system per state.

Northern Crops Institute (NCI) and Proposal Review

Chairman Mattelin was in support of the proposal brought in by NCI which is less than the year before.

National Barley Improvement Committee (NBIC) Update

Chairman Mattelin talked about his trip to Washington, DC with NBIC to provide information about research funding and the fact that for every dollar invested gives a \$10.00 return, according to the Pcast report.

World Barley Conference

Chairman Mattelin attended the barley conference in Spain and attended meetings with the North Dakota representatives. The conference centered on sustainability issues and happens every two years. He would recommend that we consider attending future conferences.

Wheat Marketing Center (WMC) and Proposal Review

Director Myllymaki attended the WMC board meeting where they worked on a strategic plan. The proposal from Wheat Marketing Center was discussed and supported as long as no new equipment is purchased.

Lunch

National Barley Growers Association (NBGA) Proposal Review

Ryan McCormick talked about the increase in funding for the NBGA and let them know that there was an increase for all seven participating states.

National Association of Wheat Growers (NAWG) Proposal Review

Ryan McCormick discussed the increase in dues for NAWG; Montana's portion has not been voted on but will more than likely pass. There was a discussion about the CEO and some of the issues that have to be addressed in the hiring process.

Ryan gave his views on how the current legislative session and some of the discussions he had with legislators. He thought it would be a good idea to educate legislators in the future and have representation from producers or directors.

Montana Grains Foundation Proposal Review

Dale Schuler talked about the Montana Grains foundation and that the proposal should be listed under research instead of education. This would be a permanently funded endowment for a MSU researcher with a guaranteed return of 4%. The funding would target Plant Sciences research; the foundation plans to raise \$1 million dollars by the end of 2013 and eventually \$5 million.

National Barley Foods Council Proposal Review

Director Myllymaki talked to the board about the lack of activity with Barley Foods Council and that we should eliminate financial and board support.

National Pasta Association Proposal Review

Kim Falcon discussed the Pasta Fits Campaign that currently targets large urban areas.

Wheat Quality Council (WQC) Proposal Review

Directors Schoonover and Hinebauch were very supportive of the Wheat Quality Council. They thought it was good to introduce the new varieties from MSU, like Colter and Warhorse at the annual meeting this year.

North Dakota State University (NDSU) Proposal Review

Cassidy Marn updated the group on the necessity of the HRS and Durum quality surveys. There were concerns about obtaining samples from the Northeast corner of the state. If USDA is unable to get these samples it may be necessary for MWBC staff to collect them in certain areas.

Plains Grains, Inc. (PGI) Proposal Review

Cassidy Marn pointed out that this survey and collection continues to become easier and more streamlined. There will be a few new elevators to add to the collection route this year, and all of the information collected is used by buyers around the world.

Canadian/U.S. Marketing Seminar & CFIA/APHIS Meeting

Steve Becker attended both of the seminars for the Canadian/U.S. Marketing, one in Great Falls and one in Shelby. The Canadian grain system is a work in progress and addressing some of the challenges.

Presentation and General Discussion of Proposals not otherwise represented at this meeting

Kim Falcon discussed some of the other proposals including some of the issues with Terry Whiteside's contract.

Montana State University Proposal Review

Dr. Jacobsen reviewed the entire proposal submitted by Montana State University. He gave an opinion about funding and priorities.

There was a discussion on a peer review process and setting up a special projects fund of \$25,000 to hire reviewers.

Executive Vice President's Update

Kim Falcon talked about the U.S. Wheat State Executive's meeting in Portland. They discussed the changes at USDA and the increase of the fees for reports. There was talk of the relationship between U.S. Wheat and Wheat Marketing Center. There was no interest from any participating states for a proposed National Wheat Checkoff.

Kim introduced Kent Pattison our new Marketing Intern.

Varietal Release Meeting

Director Siderius had a conference call with the Varietal Release Committee at MSU to discuss the public and private releases of the new varieties. Silver, Colter and Warhorse will be publicly released and the new Hard White Winter will be for private release.

New Business:

Cort Jensen and Kim Falcon met with the Attorney General about the ideas for wheat and barley trademarking.

Kim requested input about current office space and the lease agreement renewal at the end of the year. The directors thought we should stay.

Approval of Staff and Director Travel

Kim Falcon added the Plains Grains meeting in Bozeman on April 18-19 and Director Schoonover will be attending the Rail Service and Competition Council meeting in Helena on April 11th.

Director Siderius moved to accept the new travel schedule and Director Myllymaki seconded. The motion passed unanimously.

Upcoming Events

Apr. 8-10	National Pasta Association Annual Meeting – Palm Beach, FL
Apr. 10-12	Meeting with SAB Miller – Miami, FL
Apr. 18-19	Plains Grains Board Meeting – Bozeman
Apr. 21-24	Meeting with Molinos Modernos – Pottsboro, TX
May 21-23	Missouri River Recovery Implementation Committee – Rapid City, SD
May 22-23	Tunisian Trade Team
Jun. 4-6	European Durum Team
Jun. 6	Wheat Foods Council Board Meeting – Lincoln, NE
Jun. 13	MWBC Summer Board Meeting – Sidney, MT
Jun. 16-19	Korean Crop Survey Team
Jun. 23-24	Japanese Barley Team – Bozeman
Jun. 26	Field Day – Havre
Jun. 27	MillerCoors Field Day - Power
Jun. 28-Jul. 2	US Wheat Associates Summer Board Meeting – Rapid City, SD
Jul. 9	Field Day – Moccasin
Jul. 10	Field Day – Conrad
Jul. 18	Field Day – Sidney
Jul. 18	AB Field Day – Fairfield/Conrad
Jul. 21-25	US Wheat Associates World Staff Conference – Vancouver, BC
Jul. 22-25	Wheat Quality Tour – Fargo, ND
Jul. 29-31	US Grains Council Summer Board Meeting – Ottawa, Canada
Aug. 11	Ag Day – Billings
Aug. 13-15	Missouri River Recovery Implementation Committee – Council Bluffs, NE
Sep. 11-13	US Grains Council Board Meeting – Washington, DC
Oct.	Colombia Barley Mission
Nov. 17-20	Latin American Industrial Millers Association (ALIM) – Lima, Peru

Director Schock made the motion:

To include a request from Dr. Perry Miller for consideration in the 2013-14 budget planning process. Dr. Miller's project is in response to a request made by the Montana Wheat & Barley Commission to examine cropping opportunities for land coming out of CRP. Dr. Miller will utilize MWBC funds as a match with national NRCS funding.

Director Hinebauch seconded. The motion passed unanimously.

Director Schock made the motion:

To move up \$30,000 from Education and Marketing Accounts from this year's budget into U.S. Wheat Special Projects that will be utilized to fund trade team activity in April, May and June of 2013.

Director Schoonover seconded. The motion passed unanimously.

Public comment

Jeff Rumney gave an update on the State Grain Lab and a change in the fee schedule.

Chairman Mattelin adjourned the meeting at 4:30 pm.

Thursday, April 4, 2013

Chairman Mattelin called the meeting to order at 8:00 a.m.

There was discussion about the increase in the indirect charges from the State of Montana due to a 2% increase in expenses and charges from ITSD.

A transportation discussion will be put on the June Board Agenda in Sidney.

There was a discussion about Dr. Perry Miller's Proposal and CRP acres.

Chris Christiaens gave a legislative update on changes to HB2.

Director de Yong was called and provided an analysis on the legislative situation.

It was decided to make three different budgets, a main budget, a wish list and a bubble to prioritize budget items while waiting on the outcome of HB2.

There was a discussion on the Montana Grains Foundation proposal.

Director Myllymaki made a motion:

To approve a general budget of \$3,006,807 knowing that will need to be an increase that will include legislative salary changes.

Director Schoonover seconded. The motion passed unanimously.

Director Kolstad made a motion:

To approve additional budget up to \$1,614,719, pending additional spending authorization from the Montana Legislature.

Director Hinebauch seconded. The motion passed unanimously.

Chairman Mattelin called for public comment and heard none.

Chairman Mattelin adjourned the meeting at 12:35 p.m.